

March 21, 2002

02-083

A RESOLUTION AUTHORIZING THE ISSUANCE,
NEGOTIATED SALE, EXECUTION AND DELIVERY OF
GENERAL OBLIGATION REFUNDING BONDS, IN ONE
OR MORE SERIES; AUTHORIZING A SPECIAL AD
VALOREM TAX LEVY; DESIGNATING AN AUTHORIZED
REPRESENTATIVE; DELEGATING THE APPROVAL AND
THE AUTHORIZATION OF DISTRIBUTION OF THE
PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND
RELATED MATTERS

PREPARED BY: Wing-Kit Chung, Associate Vice President of Finance

APPROVED BY: Randy McEwen, Vice President of Administrative Services
Jesus Carreon, President

WHEREAS, the Board of Directors (the "Board") of Portland Community College District, Multnomah, Washington, Yamhill, Clackamas and Columbia Counties, Oregon (the "District") finds:

The District is authorized pursuant to the Constitution and Statutes of the State of Oregon, specifically Oregon Revised Statutes Sections 288.160 through 288.592 (collectively, the "Act"), to issue general obligation refunding bonds to currently refund all or any portion of its outstanding general obligation bonds; and

On May 19, 1992, the voters of the District approved the issuance of general obligation bonds and the District subsequently issued \$25,355,000 in aggregate principal amount of bonds dated February 15, 1994 (the "Series 1994 Bonds"); and

The Board now finds that current favorable municipal bond market interest rates make it advantageous to the District and its citizens through reduction of the property tax burden to currently refund all or a portion of the District's outstanding Series 1994 Bonds; and

The District adopts this resolution to provide the terms under which the general obligation refunding bonds will be sold and issued, and to authorize the issuance of the general obligation refunding bonds.

NOW THEREFORE, BE IT RESOLVED, as follows:

1. Authorization. The District Authorizes:

For the above purposes, the District shall issue its General Obligation Refunding Bonds (the "Bonds"), in one or more series, in an aggregate principal amount not to exceed the amount necessary to refund the Series 1994 Bonds and to pay costs of issuance.

The Bonds shall be issued in fully registered form in the principal denominations of \$5,000 or any integral multiple thereof. The Bonds shall be subject to a book-entry only system of ownership and transfer as provided for in Section 8 hereof. The remaining terms of the Bonds shall be established as provided in Section 13 hereof.

2. Designation of Authorized Representatives. The District hereby designates the President, Vice President of Administrative Services, Associate Vice President of Finance, or their designee (the "Authorized Representative"), to act on behalf of the District and determine the remaining terms of the Bonds as specified in Section 13 hereof.

3. Security: Tax Levy. The Bonds are general obligations of the District. The full faith and credit of the District are pledged to the successive owners of each of the Bonds for the punctual payment of such obligations, when due. The District covenants with the Bondowners to levy annually a direct ad valorem tax upon all of the taxable property within the District in an amount without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay interest accruing and the principal maturing on the Bonds promptly when and as they become due.

4. Form of Bonds. The Bonds may be printed or typewritten, and may be issued as one or more temporary Bonds which shall be exchangeable for definitive Bonds when definitive Bonds are available. As book-entry only bonds, the Bonds shall be prepared by Bond Counsel; otherwise, the Bonds shall be printed by a financial printer to be selected by the Authorized Representative.

5. Execution of Bonds. The Bonds shall be executed on behalf of the District with the manual or facsimile signature of the Chair of the Board and attested to by the manual or facsimile signature of the Associate Vice President of Finance. Additionally, the Bonds

shall be authenticated by the manual signature of an authorized officer of the Bond Registrar.

6. Appointment of Registrar. The Authorized Representative is authorized to appoint a Bond Registrar and Paying Agent for the Bonds (the "Registrar"). A successor Registrar may be appointed for the Bonds by resolution of the District. The Registrar shall provide notice to Bondowners of any change in the Registrar not later than the next Bond payment date following the change in Registrar.

7. Authentication, Registration, Payment, Exchange and Transfer.

a. No Bond shall be entitled to any right or benefit under this Resolution unless it shall have been authenticated by an authorized officer of the Registrar. The date of authentication shall be the date the Bondowner's name is listed on the Bond register.

b. All Bonds shall be in registered form. The Registrar shall authenticate all Bonds to be delivered at closing of this bond issue, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Resolution.

c. The ownership of all Bonds shall be entered in the Bond register maintained by the Registrar, and the District and the Registrar may treat the person listed as owner in the Bond register as the owner of the Bond for all purposes.

d. The Registrar shall mail or cause to be delivered the amount due under each Bond to the registered owner at the address appearing on the Bond register on the fifteenth day of the month preceding the payment date (the "Record Date"). If payment is so mailed, neither the District nor the Registrar shall have any further liability to any party for such payment.

e. In the event the book-entry system of ownership is discontinued, Bonds may be exchanged for equal principal component amounts of Bonds of the same maturity which are in different authorized denominations, and Bonds may be transferred to other owners if the Bondowners submit the following to the Registrar:

- i. the written instructions for exchange or transfer satisfactory to the Registrar, signed by the Bondowner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
 - ii. Bonds to be exchanged or transferred.
- f. The Registrar shall not be required to exchange or transfer any Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Bonds shall be exchanged or transferred promptly following that payment date.
- g. The Registrar shall not be required to exchange or transfer any Bonds which have been designated for redemption if such Bonds are submitted to the Registrar during the 15-day period preceding the designated redemption date.
- h. For purposes of this section, Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (5) of this section.
- i. In the event any Bond is mutilated, lost, stolen or destroyed, the Registrar may issue a new Bond of like maturity, interest rate and denomination if the asserted owner of such Bond provides to the Registrar and the District an affidavit, certificate or other reliable proof that the Registrar or the District reasonably finds protects the District from conflicting claims for payment under the Bond. Pursuant to Oregon Revised Statutes Section 288.435, the Registrar may waive the requirements of ORS 288.420 and the District may waive the requirements of ORS 288.430 with respect to the Bond.
- j. The District may alter these provisions regarding registration, exchange and transfer by mailing notification of the altered provisions to all Bondowners and the Registrar. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

8. Book-Entry Only System.

During any time that the Bonds are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Bonds shall be registered in the name of

Cede & Co., as nominee for DTC. The District has entered into or shall enter into a Blanket Issuer Letter of Representations (the "Letter") wherein the District represents that it will comply with the requirements stated in DTC's Operational Arrangements as they may be amended from time to time.

Under the Book-Entry System, the Bonds shall be initially issued in the form of a single fully registered certificate, one for each maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered by the Registrar on the registration books in the name of Cede & Co., as nominee of DTC. The District and the Registrar may treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal of, redemption price of, and premium, if any, or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving notice as required under this Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by the owners and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. The Registrar shall not have any responsibility or obligation to any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Registrar as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds; any notice or direction which is permitted or required to be given to or received from owners under this Resolution; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as owner; nor shall any DTC Participant or any such person be deemed to be a third party beneficiary of any owners' rights under this Resolution. The Registrar shall pay from moneys available hereunder all principal of and premium, if any, and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. So long as the Bonds are held in the Book-Entry System, no person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the Registrar to make payments of principal of and premium, if any,

and interest pursuant to this Resolution. Upon delivery by DTC to the Registrar of DTC's written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to transfers of Bonds, the term "Cede & Co.," in this Resolution shall refer to such new nominee of DTC.

At any time it determines that it is in the best interests of the owners, the District may notify the Registrar, and the Registrar will subsequently notify DTC, whereupon DTC will notify the DTC Participants, of the availability through DTC of Bond certificates. In such event, the Registrar shall issue, transfer and exchange, at the District's expense, Bond certificates as requested in writing by DTC in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Registrar and discharging its responsibilities with respect thereto under applicable law. If DTC resigns as securities depository for the Bonds, Bond certificates shall be delivered pursuant to this section. Under such circumstances (if there is no successor securities depository), the Registrar shall be obligated to deliver Bond certificates as described in this Resolution, provided that the expense in connection therewith shall be paid by the District. In the event Bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, premium, if any, and interest on such Bonds. Whenever DTC requests the Registrar to do so, the Registrar will cooperate with DTC in taking appropriate action after written notice (a) to make available one or more separate certificates evidencing the Bonds to any DTC Participant having Bonds credited to its DTC account, or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

9. Redemption.

The Bonds may be subject to optional redemption and mandatory redemption prior to maturity as determined by the Authorized Representative pursuant to Section 13 hereof.

10. Notice of Redemption.

Official notice of redemption shall be given by the District's Registrar on behalf of the District by mailing a copy of an official redemption notice by first-class mail at least 30 days and not more

than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond register or at such other address as is furnished in writing by such registered owner to the Registrar, and by publishing the notice as required by law; provided that so long as a book-entry only system is maintained in effect, notice of redemption shall be given at the time, to the entity and in the manner required in DTC's

Operational Arrangements, and the Registrar shall not be required to give any other notice of redemption otherwise required herein.

All official notices of redemption shall be dated and shall state, without limitation: (1) the redemption date; (2) the redemption price; (3) if less than all outstanding Bonds are to be redeemed, the identification of the Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption; (5) that interest thereon shall cease to accrue from and after said date; (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar; and (7) the assigned CUSIP numbers of all Bonds to be redeemed.

On or prior to any redemption date, the District shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

11. Tax-Exempt Status and Covenant Regarding Arbitrage. The District covenants to use the proceeds of the Bonds, and the facilities financed with the Bonds, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that interest paid on the Bonds will not be includable in gross income of the Bondowners for federal income tax purposes. The District specifically covenants:

- a. to comply with the "arbitrage" provisions of Section 148 of the Code, and to pay any rebates to the United States on the gross proceeds of the Bonds; and
- b. to operate the facilities financed with the proceeds of the Bonds so that the Bonds are not "private activity bonds" under Section 141 of the Code; and
- c. comply with all reporting requirements.

The Authorized Representative may enter into covenants on behalf of the District to protect the tax-exempt status of the Bonds.

12. Designation as "Qualified Tax-Exempt Obligations." The Authorized Representative, upon the advice of Bond Counsel, may designate any series of the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

13. Delegation for Establishment of Terms and Negotiated Sale of the Bonds. The Authorized Representative is hereby authorized pursuant to ORS 288.520(4) to:

- a. select all or any portion of the maturities of the Series 1994 Bonds to be refunded and cause notice of redemption to be given as required;
- b. establish the principal and interest payment dates, principal amounts, optional and mandatory redemption provisions, if any, interest rates, maturities and denominations and all other terms for the Bonds;
- c. select an underwriter and negotiate the terms and conditions under which the Bonds shall be sold and execute and deliver a bond purchase agreement for the sale of the Bonds;

- d. contract with a paying agent/registrars for the bonds and, if required, an escrow agent for the Series 1994 Bonds including executing and delivery on escrow deposit agreement;
- e. approve and authorize the preparation and distribution of preliminary and final official statements for the Bonds;
- f. obtain municipal bond insurance on the Bonds if determined by the Authorized Representative to be in the best interest of the District, execute and deliver any agreement required in connection with such insurance, and expend Bond proceeds to pay any bond insurance premium;
- g. participate in the Oregon State Guaranty Program and expend Bond proceeds to pay any guaranty premium;
- h. obtain one or more ratings on the Bonds if determined by the Authorized Representative to be in the best interest of the District, and expend Bond proceeds to pay the costs of obtaining such rating;
- i. take such actions as are necessary to qualify the Bonds for the Book-Entry System of DTC;
- j. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12);
- k. approve, execute and deliver the Bond closing documents and certificates;
- l. enter into covenants regarding the use of the proceeds of the Bonds and the projects financed with the proceeds of the Bonds, to maintain the tax-exempt status of the Bonds; and
- m. execute and deliver a certificate specifying the action taken pursuant to this Section 13, and any other certificates, documents or agreements that the Authorized Representative determines are desirable to issue, sell and deliver the Bonds in accordance with this Resolution.

14. Redemption of the Series 1994 Bonds. Contingent solely on the issuance of the Bonds, the District hereby irrevocably calls for redemption the designated portion of the District's outstanding Series 1994 Bonds which are to be refunded with the proceeds of the Bonds on the earliest date they are subject to redemption.

15. Defeasance. The District may defease the Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Bonds to be defeased, cash or direct obligations of the United States in an amount which, in the opinion of an independent certified public accountant, is sufficient without reinvestment to pay all principal and interest on the defeased Bonds until their maturity date or any earlier redemption date. Bonds which have been defeased pursuant to this Section shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under this Resolution except the right to receive payment from such special escrow account.

16. Establishment of Funds and Accounts. The following accounts shall be created, which accounts shall be continually maintained, except as otherwise provided, so long as the Bonds remain unpaid.

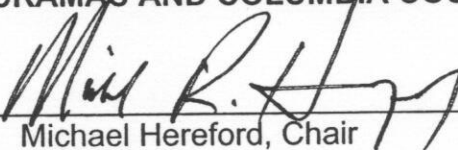
- a. Series 2002 Debt Service Account. The District shall maintain the Series 2002 Debt Service Account in the District's Debt Service Fund for the payment of principal, premium, if any, and interest on the Bonds as they become due. All accrued interest, if any, and all taxes levied and other moneys available for the payment of the Bonds shall be deposited to the Debt Service Account.
- b. Refunding Account. If an escrow agent is not used, the District shall maintain a Refunding Account for the purpose of accounting for and paying for the refunding of the Series 1994 Bonds and the costs related to the preparation, authorization, issuance and sale of the Bonds. Any interest earnings on moneys invested from the Refunding Account shall be retained in the Refunding Account.

Upon completion of the refunding and upon payment in full of all costs related thereto, any balance remaining in the Refunding Account shall be deposited to the Series 2002 Debt Service Account for payment of debt service.

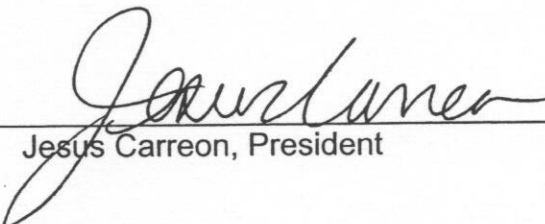
17. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall own the same from time to time (the "Bondowners"), the provisions of this Resolution shall be part of the contract of the District with the Bondowners and shall be deemed to be and shall constitute a contract between the District and the Bondowners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Bonds, including without limitation the District's covenants and pledges contained in Section 3 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the District shall be contracts for the equal benefit, protection and security of the Bondowners, all of which shall be of equal rank without preference, priority or distinction of any of such Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

ADOPTED by the Board of Directors this 21st day of March, 2002.

**PORTLAND COMMUNITY COLLEGE DISTRICT,
MULTNOMAH, WASHINGTON, YAMHILL,
CLACKAMAS AND COLUMBIA COUNTIES, OREGON**

By:  _____
Michael Hereford, Chair

ATTEST:

By:  _____
Jesus Carreon, President

Director Anderson moved to approve Resolutions 02-074 through 02-083 by consent agenda. It passed unanimously.